

**MINUTES FOR THE
SPECIAL MEETING OF THE
CITY OF ARTESIA OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY**

Location:

ARTESIA CITY COUNCIL CHAMBERS

Tuesday, July 3, 2012

10:00AM

CALL TO ORDER:

Rhonda Rangel, Oversight Board Administrative Staff, called the meeting to order at 10:04 a.m.

ROLL CALL:

Present: Board Members: Maria Dadian, Becky Lingad, Kathrin Wardle, Ali Delawalla, Toan Nguyen, George Ray, and William Holt (arrived at 10:35 a.m.)

SUCCESSOR AGENCY STAFF:

Gloria Considine, Secretary

Justine Menzel, Assistant Executive Director

Kevin Ennis, General Counsel

Teresa Ho-Urano, Assistant General Counsel

Rhonda Rangel, Los Angeles County Board of Supervisors, Executive Office

ADMINISTRATIVE MATTERS:

1. Approval of minutes from the meeting of May 2, 2012. (12-3008)

Ms. Teresa Ho-Urano stated there was a change in the minutes to correct the spelling of her last name noted in the paragraph of item No. 10 – Administrative Budget. Board Member Nguyen also stated that his name was incorrectly spelled and would need to be corrected.

On motion of Board Member Nguyen, seconded by Board Member Ray, unanimously carried, (Chair Holt being absent), the Board approved the minutes from the meeting of May 2, 2012.

Attachments: [SUPPORTING DOCUMENT](#)

DISCUSSION ITEMS:

2. Insurance Coverage for the Oversight Board as Alternative to Separate Legal Counsel for Oversight Board. (12-3110)

Justine Menzel, Deputy City Manager, provided an overview of the staff report disseminated to the Board regarding insurance coverage for the Board as an alternative to acquiring separate legal counsel.

Kevin Ennis, General Counsel to the Successor Agency, clarified that the proposed policy would provide similar coverage as the City's existing insurance policy. He also noted that Board members may already have coverage through their scope of their jobs with their perspective agencies and explained that having this coverage would cover all members, as well as duplicating coverage that may already be in place for some.

Vice Chair Dadian made note that the final determinations made by the actions of the Oversight Board are ratified through the Department of Finance (DOF). She also stated that should the Oversight Board be involved in any lawsuits, her opinion is that the State would assume higher responsibility.

Board Member Ray stated that he personally would feel more comfortable if the insurance policy was put into place.

On motion of Board Member Lingad, seconded by Board Member Ray, the Board approved to obtain insurance coverage and instructed the Successor Agency to obtain insurance coverage for the Oversight Board through the California Joint Powers Insurance Authority (CJPIA), with the following vote:

Ayes: Board Members Lingad, Ray, Delawalla, and Nguyen

Noes: Vice Chair Dadian and Board Member Wardle

Absent: Chair Holt

Attachments: [SUPPORTING DOCUMENTS](#)

3. Conflict of Interest Code for Oversight Board And Resolution No. OB 12-03. A Resolution of the Oversight Board for the Successor Agency to the Artesia

Redevelopment Agency Approving Adopting a Conflict of Interest Code Containing Designated Positions and Disclosure Categories.

Gloria Considine, Board Secretary, provided background information and made a recommendation that the Oversight Board adopt a Conflict of Interest Code that will contain the designated positions and the disclosure categories for each position of the Oversight Board.

On motion of Board Member Lingad, seconded by Board Member Nguyen, the Board approved to adopt a Conflict of Interest Code containing designated positions and disclosure categories, with the following vote:

Ayes: Vice Chair Dadian, Board Members Lingad, Ray, Delawalla, Nguyen and Wardle

Noes: None

Absent: Chair Holt

Attachments: [SUPPORTING DOCUMENTS](#)

4. Amendment to First and Second Period Recognized Obligation Payment Schedules (ROPS) Relating to the Pioneer Boulevard Improvement Project and the Parking Lot Project And Resolution No. OB 12-04. A Resolution of the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency Approving Amended Recognized Obligation Payment Schedules Pursuant to Health and Safety Code Section 34177 and Taking Certain Actions in Connection Therewith.

Justine Menzel, Deputy City Manager, provided background information on several items listed on the ROPS that were rejected by the Department of Finance (DOF) in a letter dated, May 18, 2012. She stated that the rejected items relate to the Pioneer Blvd Improvement Project and based on the DOF's rejection, the City has prolonged the project in mid-construction due to shortage of funds at a logical and safe point in the project.

Ms. Menzel explained that an Advance and Reimbursement Agreement was entered in 2007 between the City of Artesia and the former Redevelopment Agency with an amendment made in March 2011 to revise the list of projects and dollar amounts to expand the scope of the projects and dollar amounts. She reiterated that the legal binding Agreements were entered prior to AB X126 and AB X127 and noted that in the Agreements, the Redevelopment Agency agreed to reimburse the City for all costs associated with the project using unspent bond funds.

Board Member Delawalla questioned the reason the DOF initially rejected the items in the ROPS and noted he is concerned that there is no legal counsel to advise whether voting to approve is within the Boards scope.

Ms. Menzel stated that the DOF indicated in their letter that the sole reason for the denial was because the contract was between the City of Artesia and the vendor and not, between the Redevelopment Agency.

Kevin Ennis, General Counsel to the Successor Agency, indicated that should the Board approve the item, the Agency is basically seeking another opportunity to have further discussions with the DOF to explain to them that the Agency is obligated to pay for the project based on the previous agreements.

Board Member Delawalla expressed his concern that the Agency is asking the Board to approve a contract that was made between the City and the vendor.

Teresa Ho-Urano, Assistant General Counsel, clarified that the project was always a Redevelopment project and the intent was to allow the City to enter into a contract with the vendor, but use the agreement to reimburse the City for all costs.

Board Member Nguyen asked if whether there was a particular reason the City entered into a Contract with the vendor and not the Agency with the vendor. Mr. Ennis responded that the City is the entity that has more employees and more available resources and traditionally, other projects have also followed the same approach.

Ms. Menzel noted that the prior adopted ROPS shows that there is a funding source that indicates the bonds and advance reimbursement funds were allocated to pay for the projects.

On motion of Board Member Ray, seconded by Board Member Lingad, unanimously carried, the Board approved Oversight Board Resolution No. 12-04, approving amendments to the 1st and 2nd ROPS.

Attachments: [SUPPORTING DOCUMENTS](#)

5. Presentation from the Successor Agency Pass Through Payments, as requested by Chairperson Holt.

Justine Menzel provided a payment schedule showing the Agency's calculations of their pass-through payments which was submitted to the County.

She also presented a report from the County on pass-through payments covering the period of July 1, 2012 through December 31, 2012.

On motion of Board Member Dadian, seconded by Board Member Wardle, unanimously carried, the Board approved to receive and file.

Attachments: [SUPPORTING DOCUMENTS](#)

MISCELLANEOUS:

6. Chair, Board Member and Public Comments. (12-3018)

There was none.

7. Matters not on the posted agenda (to be presented and placed on the Agenda of a future meeting). (12-3019)

Mr. Ennis indicated that due to the upcoming deadlines, an August Board meeting may be necessary.

ADJOURNMENT:

The meeting was adjourned at 11:23 a.m.